

**Minutes  
City of Huntington Beach Oversight Board of the Successor Agency  
of the Former City of Huntington Beach Redevelopment Agency  
Special Meeting**

Thursday, April 5, 2012  
4:30 PM - Room B-8  
Civic Center, 2000 Main Street  
Huntington Beach, California 92648

An audio recording of this meeting  
is archived at  
<http://www.huntingtonbeachca.gov/OversightBoard>

4:30 PM - ROOM B-8

CALL TO ORDER – 4:35 PM

ROLL CALL

PRESENT: Hansen, L. Dunn, Bone, A. Dunn, Delgado, Fritzal, Carchio  
ABSENT: None

PLEDGE OF ALLEGIANCE - Led by Vice Chair Lucy Dunn

ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS (Received after Agenda Distribution) – Board Secretary Joan L. Flynn announced one supplemental communication – a PowerPoint presentation supplied by Finance Director Lori Ann Ferrell, and entitled “Recognized Obligation Payment Schedule per AB 1X26 – Sections 34169 and 34171.”

PUBLIC COMMENTS (3 Minute Time Limit) - None

BUSINESS:

**Introduction of Orange County Sanitation Appointee and Oath of Office**

Introduction of Oversight Board Member appointed by the Orange County Sanitation District, Joe Carchio, was made and the Oath of Office was administered by the Oversight Board Secretary, Joan L. Flynn.

**Oath of Office Administered to Oversight Board Chairperson and Vice Chairperson**

Oversight Board Secretary Joan L. Flynn administered the Oath of Office to Chair Don Hansen and Vice Chair Lucy Dunn.

## **Approved and Adopted Minutes for the March 26, 2012 Special Meeting**

A motion was made by Delgado, second Bone, to approve and adopt the Oversight Board minutes of the meeting of March 26, 2012, as written and on file in the Office of the Board Clerk, Joan L. Flynn. The motion passed by the following roll call vote:

AYES:	Hansen, L. Dunn, Bone, A. Dunn, Delgado, Fritzal
NOES:	None
ABSTAIN:	Carchio

### **Presentation Was Made by Finance Director Lori Ann Farrell - Reviewed the Recognized Obligations Payment Schedule (ROPS) and Approved the Recognized Obligations Payment Schedule (ROPS) and Approved the Enforceable Obligation Payment Schedule (EOPS)**

Boardmember Steve Bone made an announcement that, as a shareholder, he had an economic conflict of interest within the EOPS and ROPS for items pertaining to the Hyatt. Director Farrell indicated the PowerPoint was broken into two sections – one which contained no projects or debt obligations referencing the Hyatt, and a second portion which only contained items that reference the Hyatt. The board decided they would hear the first section that did not include the Hyatt, and then vote on that section only. Boardmember Bone would then recuse himself while the second presentation of the EOPS and ROPS was reviewed, discussed and voted upon.

After the presentation by Director Farrell discussion ensued on the following topics: the inclusion of the obligations in other supporting, audited reports and any outside audits performed in relation to the items on the EOPS and ROPS; the substance of the amendments which were submitted to the City Council at their last meeting (the EOPS and ROPS listings given to the Oversight Board at their first meeting contained all the amendments); the possibility and protocol to incorporate any future claim to an obligation that is not on the list; the addition to the ROPS of the cost of outside counsel if any were hired by the Board; and how the payment priority would be assigned if not enough tax increment was realized to pay all the obligations.

A motion was made by Carchio, second Delgado, to approve the Enforceable Obligation Payment Schedule (EOPS) excluding #14 and #15 on page one (land purchase for commercial development of the Hilton, the Hyatt, Town Square, the Main Street Parking Structure, California Resorts Projects and residential development) and # 2 on page two (Hyatt Regency Huntington Beach Project), and #14 on page two (HUD Section 108 infrastructure loan for Hyatt/Hilton Properties) for the period covering August 1, 2011 to June 30, 2012. The motion passed by the following roll call vote:

AYES:	Hansen, L. Dunn, Bone, A. Dunn, Delgado, Fritzal, Carchio
NOES:	None

A motion was made by Carchio, second Delgado, to approve the Recognized Obligation Payment Schedule (ROPS) excluding #14 and #15 on page one (land purchase for commercial development of the Hilton, the Hyatt, Town Square, the Main Street Parking Structure, California Resorts Projects and residential development) and # 2 on page two (Hyatt Regency Huntington Beach Project), and #14 on page two (HUD Section 108 infrastructure loan for Hyatt/Hilton

Properties) for the period covering January 1, 2012 to June 30, 2012. The motion passed by the following roll call vote:

AYES: Hansen, L. Dunn, Bone, A. Dunn, Delgado, Fritzal, Carchio  
NOES: None

Board Member Bone recused himself and left the room. At that time Finance Director Farrell continued the second portion of the presentation which reviewed only the Hilton/Hyatt Projects/Debt Obligations.

A motion was made by A. Dunn, second Carchio, to approve the Enforceable Obligation Payment Schedule (EOPS) items #14 and #15 on page one (land purchase for commercial development of the Hilton, the Hyatt, Town Square, the Main Street Parking Structure, California Resorts Projects and residential development) and # 2 on page two (Hyatt Regency Huntington Beach Project), and #14 on page two (HUD Section 108 infrastructure loan for Hyatt/Hilton Properties) for the period covering August 1, 2011 to June 30, 2012. The motion passed by the following roll call vote:

AYES: Hansen, L. Dunn, A. Dunn, Delgado, Fritzal, Carchio  
NOES: None  
RECUSE/ABSTAIN Bone

A motion was made by A. Dunn, second Carchio, to approve the Recognized Obligation Payment Schedule (ROPS) items #14 and #15 on page one (land purchase for commercial development of the Hilton, the Hyatt, Town Square, the Main Street Parking Structure, California Resorts Projects and residential development) and # 2 on page two (Hyatt Regency Huntington Beach Project), and #14 on page two (HUD Section 108 infrastructure loan for Hyatt/Hilton Properties) for the period covering January 1, 2012 to June 30, 2012. The motion passed by the following roll call vote:

AYES: Hansen, L. Dunn, A. Dunn, Delgado, Fritzal, Carchio  
NOES: None  
RECUSE/ABSTAIN: Bone

Boardmember Bone was alerted of the conclusion of the presentation and vote, and returned to the meeting room.

#### **Approved the Administrative Budget for the Successor Agency for Fiscal Year 2011/12**

A motion was made by Bone, second by Carchio, to approve and establish a Successor Agency Administrative Budget for Fiscal Year 2011/12 totaling \$425,000 for the Merged Project Area and \$7,000 for the Southeast Costal Project Area, for a combined total of \$432,000. The motion passed by the following roll call vote:

AYES: Hansen, L. Dunn, Bone, A. Dunn, Delgado, Fritzal, Carchio  
NOES: None

**Approved and Adopted the Amended Oversight Board Conflict of Interest Code Resolution No. 2012-01 Changing the Filing Official for the Statement of Economic Interest Form 700 from the Orange County Clerk of the Board to the City Clerk of the City of Huntington Beach**

A motion was made by L. Dunn, second Carchio, to approve and re-adopt Resolution No. 2012-01 entitled: *"A Resolution of the Oversight Board to the Successor Agency to the Dissolved Huntington Beach Redevelopment Agency Adopting its Conflict of Interest Code for the Oversight Board."* The motion passed by the following roll call vote:

AYES: Hansen, L. Dunn, Bone, A. Dunn, Delgado, Fritzel, Carchio  
NOES: None

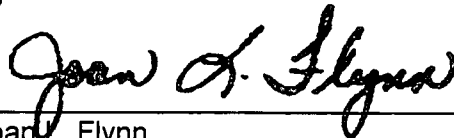
**Item Placed on Agenda by Vice Chair Lucy Dunn to Discuss Retention of Outside Counsel Representation for the Oversight Board**

Boardmember L. Dunn discussed information she had gained from another Oversight Board regarding an RFP for outside Board counsel. Chair Hansen requested that Board Members share any information they receive as to Best Practices from other Oversight Boards so that the Board could review the information for potential incorporation by the Huntington Beach Board.

**Board Member Comments**

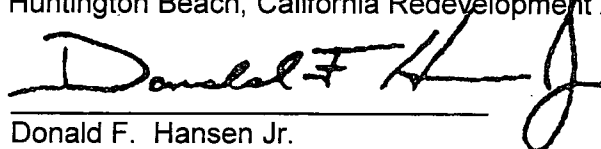
Chair Hansen requested that a Heading of "Board Member Comments" be added at the end of all upcoming Board agendas so that members could make announcements on items not agendized.

Adjournment at 5:28 PM. Chair Hansen announced the next regularly scheduled meeting of Monday, April 9, 2012 will be cancelled. A Special Meeting of the Oversight Board will be tentatively scheduled to be held on Monday, May 14, 2012, at 4:30 p.m. in City Hall, 2000 Main Street, Civic Center Lower Level, Room B-8



Joan L. Flynn

Secretary of the Huntington Beach Oversight Board of the Successor Agency of the Former City of Huntington Beach, California Redevelopment Agency



Donald F. Hansen Jr.

Chair of the Huntington Beach Oversight Board of the Successor Agency of the Former City of Huntington Beach, California Redevelopment Agency